



Advising the Congress on Medicare issues

Medicare Advantage quality update

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November 7, 2008

Basis of analysis

1. **Healthcare Effectiveness Data and Information Set (HEDIS®)**

- Developed by the National Committee for Quality Assurance (NCQA)
- Process & intermediate outcomes measures
- Most commonly used source of health plan performance measurement
- Required of most MA plans; voluntary reporting by MA private fee-for-service (PFFS) plans

2. **Health Outcomes Survey (HOS)**

- Longitudinal survey of enrollees over two-year period
- Self-reported physical and mental health status
- Not required of PFFS, MSA plans, and certain other plans

Sources of data

- **HEDIS®**
 - Annual *State of Health Care Quality Report* from the National Committee for Quality Assurance (NCQA)
 - Medicare public use files with HEDIS® scores for Medicare Advantage (MA) plans
- **HOS**
 - Information posted at the HOS web site

Results in brief

HEDIS®

- MA plans show marginal improvement on average scores compared to last year's results
 - Newer plans' lower scores on most measures bring down overall averages
- PPO scores are lower on some measures, but often close to, or higher than, HMO scores
- Private fee-for-service (PFFS) plans generally have the lowest HEDIS® scores

HOS

- Results better this year than last year, but a number of plans show physical and mental health outcomes that are worse than expected

Results in brief: Comparing commercial and Medicare plans

- Commercial HMOs improved on more measures than Medicare HMOs
 - Commercial HMOs: Average HEDIS® scores improved on 44 of 54 measures (81%)
 - 16 (30%) showed statistically significant improvement
 - Medicare HMOs: Average HEDIS® scores improved on 25 of 45 measures (56%)
 - 6 (13%) showed statistically significant improvement
- Medicare PPOs improved on more measures than commercial PPOs
 - Medicare PPO scores often comparable to Medicare HMO scores

Scores of newer plans reduce overall MA average HEDIS® scores

- Situation similar to last year
- Older plans—those that entered the Medicare program before 2004—have better average scores on most measures
- Newer plans have lower average scores on most measures
- Overall MA plan average brought down by larger number of newer plans

Newer plans outnumber older plans, but the majority of enrollment is still in older plans

Distribution of plans reporting HEDIS® scores in 2008				
	Number of plans	As percent of reporting plans	Enrollment in plans, February 2008 (thousands)	As percent of enrollment in reporting plans
All plans	336	100%	8,250	100%
Older plans	148	44	5,769	70
Newer plans	188	56	2,481	30

Source: MedPAC analysis of CMS public use files and monthly Medicare Advantage enrollment report.

Within newer plans, more HMOs but highest enrollment is in PFFS plans

Distribution of newer plans reporting HEDIS® scores in 2008				
	Number of plans	As percent of newer plans	Enrollment, February 2008 (thousands)	As percent of enrollment in newer plans
Newer plans	188	100%	2,481	100%
HMOs	98	52	693	28
PPOs	76	40	707	28
PFFS	14	7	1,080	44

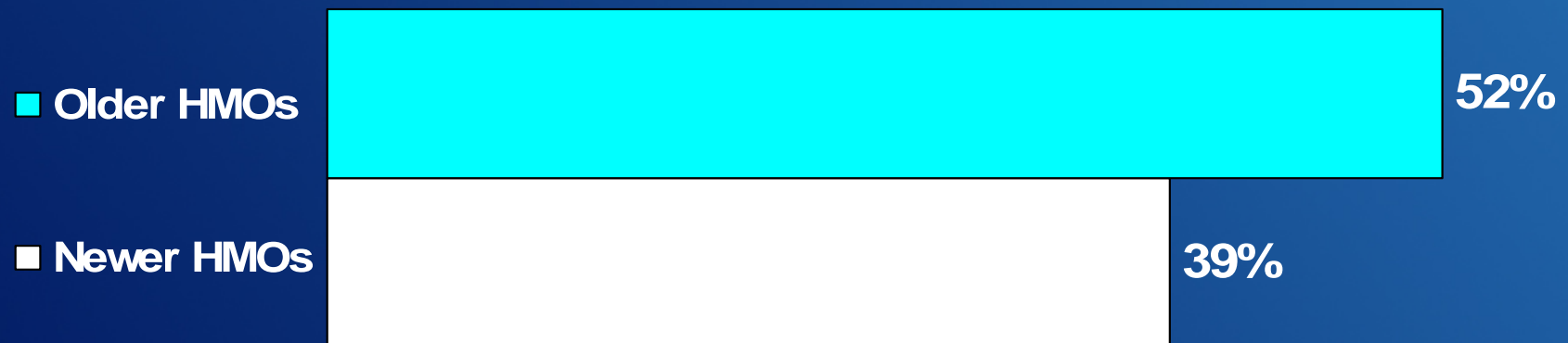
Source: MedPAC analysis of CMS public use files and monthly Medicare Advantage enrollment report. Totals do not sum due to rounding.

Older plans improved more than the overall MA sector, with some exceptions

- Older plans improved on $\frac{3}{4}$ of all measures
 - Older plans better than newer plans on screening and outcome measures
 - But newer plans better than older plans in monitoring persistent use of certain medications
 - Older plans show decline in performance for measures of avoidance of harmful drug-disease interactions, with rates similar to newer plans

Older HMO plans report more patients with diabetes with controlled cholesterol levels

HMO performance on outcome measure for diabetes: percent of patients with cholesterol levels controlled, by plan category



Average reported HEDIS® rate, 2008 (percent)

Medicare PPO plans perform relatively well on many measures

PPO average HEDIS® scores in relation to HMO averages

(Number, out of 28 measures reported by at least half of all PPOs)

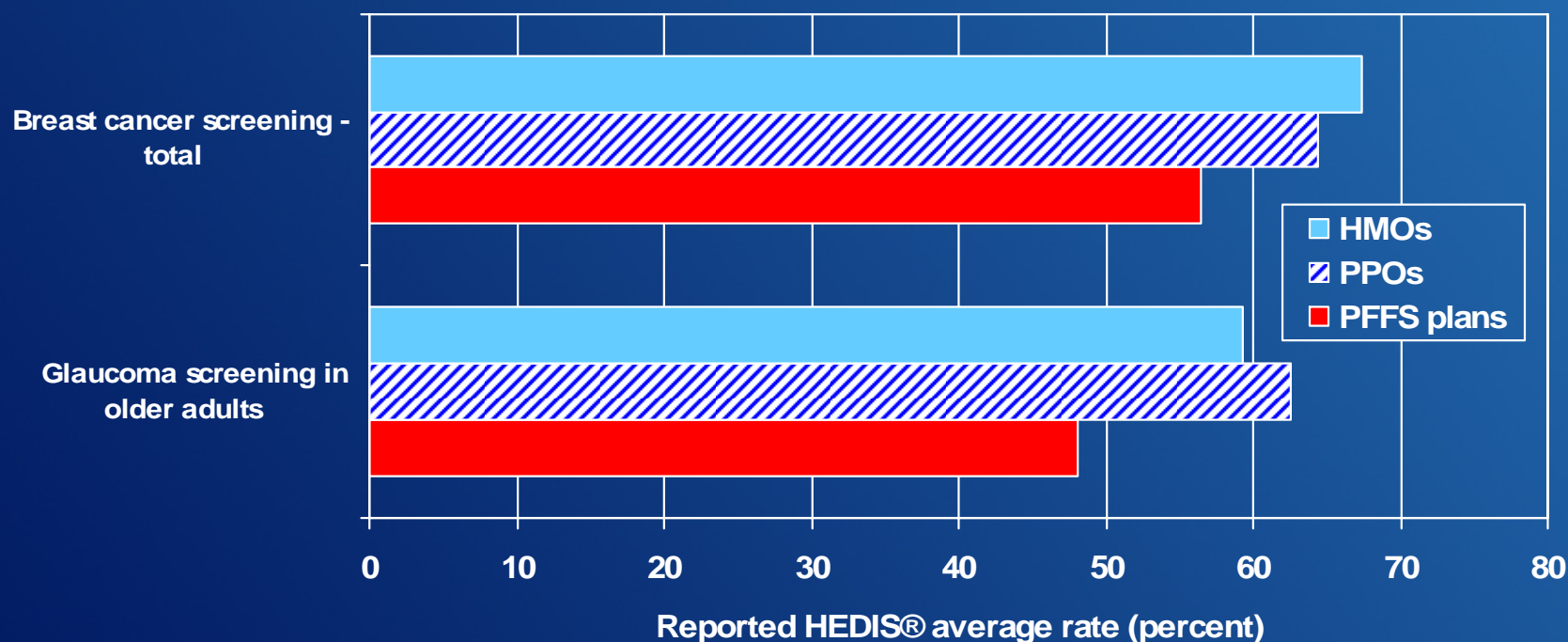
PPOs lower than HMOs	PPOs about the same as HMOs	PPOs better than HMOs
10	10	8

PFFS plan scores overall are lower than scores for other plan types

- Private fee-for-service (PFFS) plans reported HEDIS® data on a voluntary basis in 2008
- Data reported by 14 plans that have just over half of total PFFS enrollment
 - 63 PFFS plans not yet reporting
- PFFS average scores are lower than average HMO and PPO scores

PFFS plans generally have lowest scores; PPOs better than HMOs on some measures

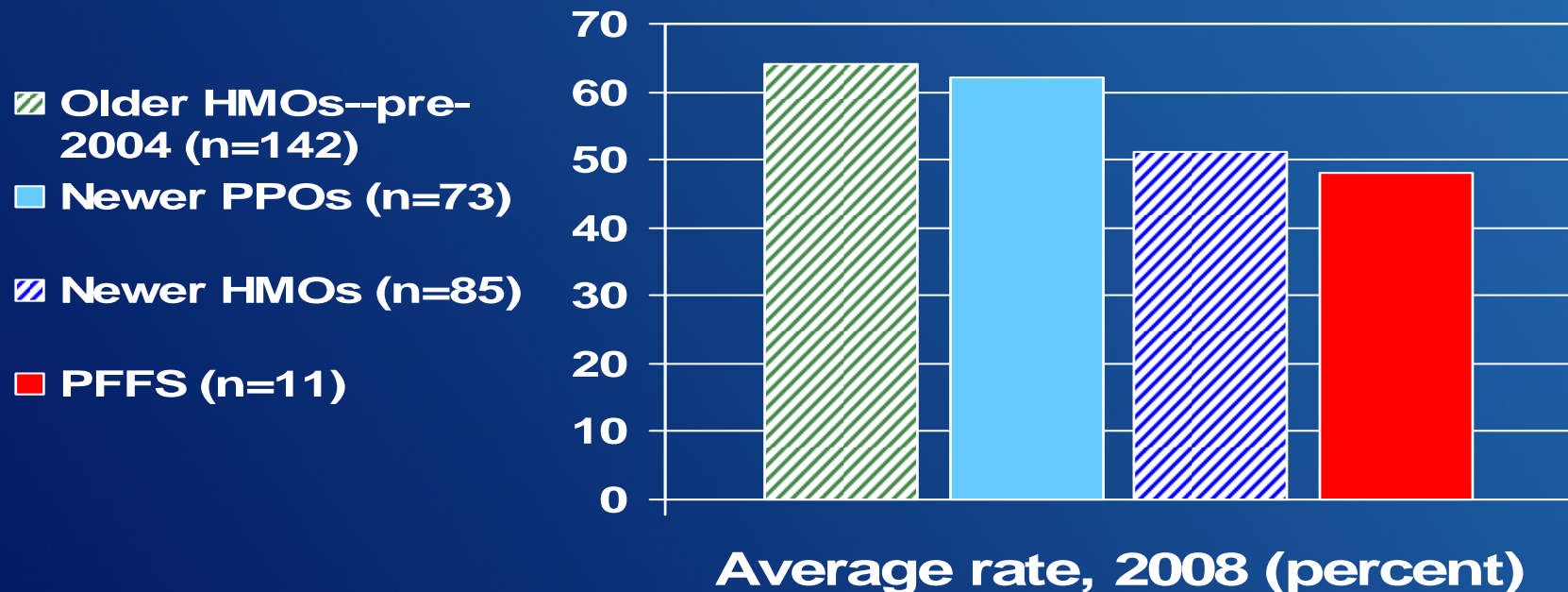
Performance on selected HEDIS® measures, 2008, by plan type



Note: Only includes selected measures among the 14 measures reported by at least half of PPOs and PFFS plans

PPO average scores for some measures are much higher than newer HMO plans

Rate of glaucoma screening of older adults, 2008, by plan category, in descending score order



Note: n represents the number of plans in each category reporting a score for this measure.

Source: MedPAC analysis of CMS public use files

Factors affecting reported HEDIS® results: Scoring process differences

- 13 out of 48 effectiveness of care measures—including all HEDIS® outcome measures—can be scored differently by HMOs
 - Each HMO can determine its score based on (a) administrative data only or (b) a combination of administrative data and medical record review
 - Only HMOs, not PPOs or PFFS, can choose to use medical record review to increase scores
- Issue should be resolved by 2011 report: uniform scoring practices across plan types expected in 2010 (NCQA)

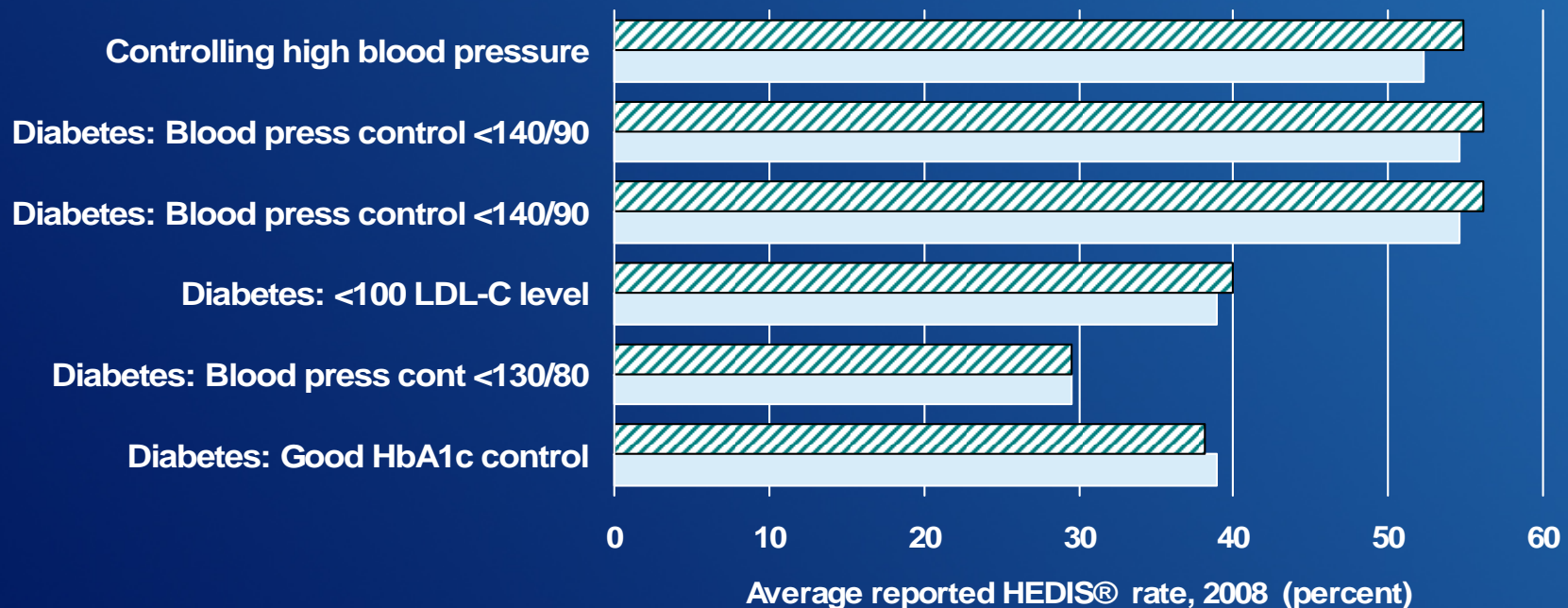
Factors affecting reported HEDIS® results: Newer plans' experience with process?

- Do organizations new to HEDIS® tend to have lower scores due to plans' capabilities to measure and report, rather than differences in care processes and outcomes?
- If so, the oldest “newer” plans should be improving their ability to measure and report, resulting in higher scores.

Among newer plans, the newest do not always have the lowest scores

HMO performance on selected outcome measures, by plan category

- ▨ Newest HMOs: reporting HEDIS® for 1st time
- New HMOs reporting last year and this year



• *Newest plans better on 4 out of these 6 measures*

Factors affecting reported HEDIS® results: Newer plans' experience with process?

- Many “newer” Medicare plans are offered by organizations that are not new to HEDIS®
- Nearly all PPO plans are “new” plans in the HEDIS® data, yet many scores are better for new PPOs than for older HMOs
- Unusually low values on some measures are reported by a number of older plans, not just new plans

HOS results better than prior period, but still cases of poorer health outcomes

- For most recent 2-year HOS cohort (2005-2007):
 - About 90% of plans have enrollee health outcomes within expected range
 - Similar to results for previous cohort (2004-2006)
 - About 10% of plans are “outliers” – change in enrollees’ health either better or worse than expected
 - Similar to results for previous cohort
- There was a shift in composition of “outliers” between the two cohorts: Fewer plans with worse-than-expected outcomes

Latest HOS results show shift in outcomes among “outlier” plans

- Compared to 2004-2006 cohort, 2005-2007 cohort results show:
 - Physical Health: More plans had better-than-expected outcomes; but among all 2005-2007 outliers, more had worse-than-expected outcomes than better
 - Mental Health: More plans had better-than-expected outcomes; and majority of 2005-2007 outliers had better-than-expected outcomes

HOS: Improvement seen in outlier results, but still high number of plans with poor outcomes

Time period to measure two-year changes in health status	Number of plans that have outcomes within expected range	Outcomes BETTER than expected (number of plans)	Outcomes WORSE than expected (number of plans)
Physical health measures			
2004-2006	136	2	13
2005-2007	136	7	11
Mental health measures			
2004-2006	139	5	7
2005-2007	140	8	6